OKLAHOMA

CURRENT FARM ECONOMICS

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1952 Annual Outlook Issue

Outlook Summary for 1952

General—Prospects for a high output of agricultural products, together with continued high prices, indicate that farm earnings will be high. However, increased production costs may prevent net incomes from rising above 1951 levels.

Cotton—A reduced supply and anticipated smaller planted acreage next year, coupled with continued strong demand, may result in prices higher than those received for the 1951 crop.

Wheat—An expected increased supply and a somewhat smaller demand are likely to prevent prices from rising above support levels.

Feed—Feed grains will not be plentiful, and protein feeds apparently will be in quite short supply.

Sheep, Lambs and Wool—Somewhat larger number going to slaughter, but prices are expected to remain at high levels for mutton and lambs. Wool prices are likely to remain high, but may be weaker than in 1951.

Dairy—High consumer incomes will keep the demand strong for dairy products. Prices may continue to rise as they did through 1951.

Poultry—Strong demand for poultry and poultry products is indicated for the first half of the year. Prices may weaken later in the year.

Beef Cattle—The demand for beef is expected to continue strong, but anticipated increased slaughter early in 1952 may cause a weakening of prices.

Hogs—Pork production is likely to be somewhat above last year, but the indications are that hog production may be levelling off. While no substantial price change is anticipated, prices may weaken somewhat during the first half of the year.

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Outlook for 1952

GENERAL

Prices Received by Farmers

The November index prices received by Oklahoma farmers was higher than a year earlier for all farm products, except cottonlint which was down a little less than 4 percent; cottonseed, almost 21 percent below November, 1950; lambs, less than 1 percent lower than the November prices received a year ago; and peanut prices, almost 11 percent below the November, 1950 level.

November sheep prices were 0.3 percent higher than a year earlier. Chickens were up only 8.7 percent. Butter price was higher by 9.3 percent. For all other products, the prices received by Oklahoma farmers were higher than in November, 1950 by at least 10 percent with hay showing the largest increase. "All hay, baled," was 65 percent higher than a year ago. Whether this increase will help or hurt the farmer or stockman will depend, of course, upon whether he is a seller or buyer of hay.

For the various groups of farm products, the percentage increases for November over a year earlier were as follows:

Grains, 16.6; miscellaneous crops (influenced especially by hay and sweet potato prices), 56; meat animals, 11.4; dairy products, 15.5; chickens and eggs (influenced upwards by eggs much more than chickens), 22.5.

The weighted average of all farm products included in the price index series was 5.2 percent above the November, 1950 level.

Prices Paid by Farmers

There is no complete index series of prices paid by Oklahoma farmers for commodities used in farm production and farm family living, but the United States series shows November, 1951 to be 6.2 percent above November, 1950. Using the United States index of prices paid for comparison with prices received by Oklahoma farmers, the "purchasing power index" of weighted average of prices received was 116 in November, 1951 as com-

pared with 117 for November, 1950 (see page 158).

The U.S.D.A. index of prices paid plus interest, taxes and farm wage rates was 8 percent higher than a year earlier. Prices paid for *commodities used in farm production* have changed only fractionally since May, but were 9 percent higher than for November, 1950. Prices paid for *commodities used in farm family living* were 6 percent higher than for November, 1950.

The United States parity ratio at 105 was only fractionally changed from a year earlier.

Wholesale and Consumer Prices

The wholesale price index for the week ended December 11, 1951 stood at 177 (1926=100) which was up 1.4 percent from a year earlier.

The consumers' price index for October, 1951 was 10.1 percent above the pre-Korea level of June, 1950 and 6.7 percent above the figure for October, 1950.

Farm Income

Farmers' income from marketings for the period January through November, 1951 was 30 billion dollars, or 15 percent above the corresponding period in 1950. Receipts from livestock and its products totaled 18.1 billion dollars, 23 percent above 1950. Most of this livestock increase was due to higher prices rather than larger marketings.

Crop receipts were 11.9 billion dollars, 5 percent more than for the corresponding months of 1950 Higher prices more than offset the smaller marketings.

The General Outlook

The Bureau of Agricultural Economics, analyzing the wide range of information at its disposal, reports the "demand for farm products, as well as for most other goods and services, is expected to continue strong in 1952 as employment and income rise. However, record agricultural production this year and prospects for a continued high output next year, together with existing price control authority, indicate that average prices received by farmers in 1952 may not differ much from 1951.

"Cash receipts from farm marketings may show some increase next year, largely a reflection of . . . (anticipated) heavier marketings. But production costs will also rise above the record level in 1951. *The realized net income of farm operators in 1952 may be about the same as 1951. With higher living costs in prospect, the purchasing power of farmers' net income in 1952 is not likely to show any improvement over 1951 and will remain substantially less than in 1947 and 1948.*"

Supply Factors in the Outlook.—

—United States agricultural production goals call for a new record high level of crop production and a high, though not

record, level of livestock production. *If these goals are realized, the 1952 farm production will be 49 percent above the pre-World War II years of 1935-39 and slightly more than 4 percent above the 1951 production.* Emphasis is placed on increased feed supplies — especially grain sorghums and corn.

Incentives for high level production have been provided by the following announced national level support prices for 1952. The figures in parenthesis after the support price are the average prices received by farmers for the product from January to November, 1951, the first for the United States as a whole and second for Oklahoma:

Grain sorghums—$2.38 per hundredweight for No. 2 or better compared with $2.17 support for the 1951 crop. (U. S. 1951, $2.16; Okla. 1951, $2.18).

Oats—78 cents per bushel for No. 3 or better compared with 72 cents for 1951. (U. S. 1951, 85 cents; Okla. 1951, 94 cents).

Barley—$1.22 per bushel for No. 2 or better compared with $1.11 for 1951. (U. S. 1951, $1.26; Okla. 1951, $1.31).

Rye—$1.42 per bushel for No. 2 or better compared with $1.30 for 1951. (U. S. 1951, $1.55; Okla. 1951, $1.56).

These supports are equivalent to 80 percent on August 15, 1951 parity.

Wheat will be supported at $2.17 (U. S. 1951, $2.11; Okla. $2.18) which is 90 percent of the July 15, 1951 parity, but if the parity price on June 15, 1952 is higher, the support will be increased to 90 percent of the higher parity at the beginning of the marketing year.

Corn in commercial areas will be supported at 90 percent of the September 15, 1952 parity price; cotton at 90 percent of the August 1, 1952 parity, soybeans at 90 percent of the November 15, 1951 parity.

Other announced support levels are:

Milk and butterfat—90 percent of the April 1, 1952 parity;

Wool—90 percent of parity for shorn wool and a comparable support for pulled wool;

Winter cover crop seed (cents per pound):

Hairy vetch, 14.75.

Common and Williamette vetch and roughpeas, 6.

Crimson clover, 16.50.

Common ryegrass, 7.

Blue lupine, 3.5.

Support for potato prices was discontinued in June, 1951 and no new supports are intended for 1952. Sweet potato and fresh vegetable assistance will be restricted to surplus removal operations and, in general, will not be rendered in areas where growers substantially exceed the acreage goal.

Demand Factors in the Outlook. The national gross product for the third quarter of 1951 was at the annual rate of nearly 328 billion dollars, which was about the same as the record level reached in the second quarter. Over-all demand continues strong. Indications included a further rise in capital outlays for new plant and equipment during the last three months of 1951.

Total employment continues high with only 1.6 million workers reported unemployed. This represents only 2.5 percent of those working or seeking work and is the lowest unemployment rate since the war. Reduced employment in the textile, leather, and automobile industries are largely offset, in terms of total employment if not in each local area, by shifts to defense activities. Total civilian employment in October was 61.8 million workers. With the exception of July and August this year when student summer employment was high, this is an all-time record, but it may rise somewhat further.

While residential construction was down from a year earlier, the total industrial construction during the first 10 months of 1951 was more than double that of 1950. On October 1, 1951, all construction came under the Controlled Materials Plan. After inventories have been used up, the volume of new construction in 1952 will depend largely upon the availability of structural steel, copper and alumnium.

The Bureau of Agricultural Economics reports the seven-months' upward trend in personal incomes was interrupted in September. Wages and other labor incomes continued upward along with dividends and personal interest receipts, but these increases were more than offset by declines in business, professional, farm proprietor and rental incomes. The rate of increase in personal income slackened in the early spring and by September had increased only 2 percent since March. But the personal income level was still the second highest in history.

However, in spite of some slackening in certain segments of the nation's economy, the general level of demand for farm products is expected to be strong in 1952.—*Geoffrey P. Collins.*

COTTON

The past year has witnessed a chaotic market situation for cotton. Allotments in 1950, coupled

with climatic and insect damage, resulted in a severely short American crop. With the beginning of the Korean war, there was a rush in buying which resulted in higher prices. This, together with a cancellation of the allotment for the 1951 crop, resulted in a heavy increase in cotton acreage in the United States. Thus the estimated production for 1951 was set at 17,291,000 bales on September 1. But again insect and climatic conditions caused a revision in December to 15,290,000 bales.

The average price of Middling 15/16 inch cotton at the 10 spot markets in April, 1951, rose to a record high of 45.25 cents per pound. With the revised government production estimate in November, the price was 42.49 cents per pound on November 29.

It appears now that there may be a somewhat reduced cotton acreage in 1952, due partly to the farmer's failure to receive more than 40 cents per pound which was expected for his 1951 crop. Also there probably will be a switch to other crops, especially to grain crops in Western Oklahoma and Texas. Much of the 1951 grain crop was greatly damaged by insects and drought in these states. As a result, many farmers temporarily turned to cotton as a cash crop of 1951. Many of these farmers can be expected to return to grain in 1952 as they are better equipped to handle grain than cotton. This loss in production may be partially offset by the increased acreages of farmers who have turned to mechanical production and particularly to the mechanical harvesting of cotton.

The world production of cotton in 1951-52 had previously been estimated at 33.8 million bales. This would have exceeded world consumption for the first time in some years. World consumption for the same period probably will amount to 31.5 million bales. This would have meant an apparent increase in carry-over of some two million bales, but with the revised December estimate of U. S. production, it appears that consumption will about equal production.

Cottonseed should be plentiful, but there likely will be a shortage of good certified seed for planting. It therefore appears advisable to again make early purchases of the desired varieties needed for planting. This will surely be necessary for farmers desiring varieties adaptable for machine stripping.

The labor supply for the production and harvesting of the 1951 crop has been very low. This has been partially offset by the introduction of new techniques in mechanical production and especially in the change to mechanical harvesting. The turn to mechanical strippers in western Oklahoma and west Texas has been rapidly progressing in the past few years. Two obstacles to this progress have been the shortage of available strippers and the lack of adaptability of the varieties planted to mechanical stripping.

Production of rayon in the United States reached a record high in 1950. Rayon often is substituted for cotton, and the industry had planned to increase its production about 20 percent over 1950 by the middle of 1952. But the industry may do well to maintain its present production due to a serious shortage of sulfur, which is essential in manufacturing rayon.

The U. S. carry-over for 1951-52 has been expected to be between 2.7 and 3.2 million bales. Now, however, the revised government estimate has reduced this figure by well over 1 million bales. Thus the carry-over probably will be smaller than that of the 1950-51 crop, when it was 2.2 million bales, one of the smallest on record.

Developments which might influence prices of cotton in 1952 are the re-establishment of export allocations, and raising the support price to a position much nearer to the ceiling set by the government at 45.76 in Area I on March 3, 1951.

Demand for cotton should remain strong in 1952 due to the heavy needs for industrial and domestic uses. With the possibility of a reduced acreage in 1952 and the exceedingly small carry-over from the 1951 crop, prices may be higher than for the 1952 crop than they were in 1951. —*Eldon Littlefield.*

WHEAT

The price for wheat this year and next will likely be near support levels. The minimum support price has been set at $2.17, which is approximately the same as for 1951. If the wheat parity price goes up by next summer, the support level—90 percent of parity—will also be raised.

Chances are that wheat prices will not go much above loan prices unless full-scale war breaks out. The major reason for this is that expected wheat supplies will be more than ample for anticipated needs not only in this country, but in the world at large.

Prospective U. S. Supplies

The wheat goal for 1952 of 78.9 million acres, which may be exceeded, has been exceeded only in four years in past history.

If average yields are obtained from acreage equal to the wheat goal, there will be a production of 1,165 million bushels. This would be 17 percent above the low yield 1951 crop.

If this production is obtained, the total U. S. wheat supply for 1952-53 will be about 1,500 million bushels. This follows as the carry-over from 1951-52 will be approximately 335 million bushels.

Prospective U. S. Demand

Of this wheat supply, approximately 745 million bushels will be used in the United States. This will leave 755 million bushels for export and for carry-over into 1953-54. Exports may be as much as 325 million bushel.

If so, the carry-over into 1953-54 will be about 430 million bushels —an increase of approximately 100 million bushels more than is expected at the end of this year.

Prospective Foreign Demand

The U. S. export quota under the International Wheat Agreement is 250 million bushels. The exports of other wheat (non-agreement) will probably lessen; they were 115 million bushels in 1950-51. The 1950-51 foreign demand was stronger than it appears to be for 1950-52, because quality and transportation cut Canadian exports, war scare and inflation stimulated the building of reserves by importing nations, and unusual demands (Yugoslavia and India) kept exports high.

Of importance further in the future is the fact that the International Wheat Agreement ends with the 1952-53 season.—*Adlowe L. Larson.*

Feed

The principal changes in the feed situation and outlook since October may be summarized as follows: Upward revisions in the estimated size of the soybean and grain sorghum crops, downward revision in the corn and peanut crops, a sharp reduction in the cotton (and cottonseed) estimate, and some local improvement in grazing conditions.

September freezes in the nothwestern part of the cornbelt resulted in frosted corn which will be fed rapidly. The November 6 snowstorm caught much corn still in the field. A lot of the crop is of high moisture content, unsafe for cribbing and unsuited for commercial market channels. The estimated size of the national crop has been reduced 17 million bushels since the October estimate. Only about 60 percent of the crop was harvested before snowfall.

Only partly offsetting this change is an increase of 1 million bushels in the estimate of the size of the grain sorghum crop, based on an improvement in the estimated yield per acre and the fact that most of the crop was combined before snow.

Consequently, feed grains will not be as plentiful as was expected, and nothing has occurred to reduce the demand. Corn prices did not experience their usual harvest-time decline and may be expected to rise. Oats prices also have risen markedly.

Protein Feed Situation

The protein feed situation is much less favorable than it at first appeared. Encouraging was the report of a 1-bushel per acre increase in the Illinois yield of soybeans and an increase of nearly 7 million bushels in the size of the United States crop, plus the fact that harvest was 98 percent completed before the snowstorm. The total crop is nearly as big as last year's output and is in good condition. At the same time, however, the peanut estimate has been reduced 47 million bushels since October, 19 million reduction being made for Oklahoma alone. This will surely reduce the prospect for peanut meal for feeding.

The most serious change in protein feed prospects has been the sharp reduction in the estimate of the 1951 cotton crop—so sharp that a congressional investigation has been threatened. From the 16,931,000-bale estimate of October 1, the figure was cut to 15,771,000 bales November 1, a reduction of over 1 million bales of cotton and a reduction of more than 500,000 tons in the cottonseed estimate.

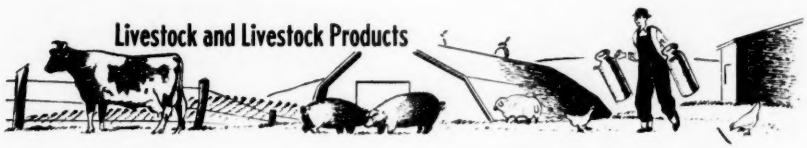
With a relatively large supply in prospect, it did not appear advisable to lay in protein feed supplies very far in advance, for it looked as if prices would weaken as new oilseed crushings came on the market in volume. A continued strong demand and a marked decline in the prospective supply, however, poses a different outlook. Ceiling prices have been placed on soybean meal at $74 a ton, bulk, at Decatur, Illinois, and on cottonseed meal at $83 a ton, bulk, at Memphis, Tennessee. Freight and bagging costs bring these to about $90 a ton at Oklahoma City. Such ceilings appear to protect the feeder against price rises, *as long as producers are willing to sell.*

Mixed Feeds Higher

If ceiling prices get far out of line with market conditions, black markets and hoarding are likely to develop, wth consequent dislocation of supplies and local shortages. Some feeders and dealers have reported difficulty in obtaining protein cakes and meals. Retail prices of supplemental mixed feeds containing 30 to 32 percent protein (cubes, pellets, and meals) run 10 to 25 percent higher per unit of protein than do the prices of straight cottonseed meal. A feeder with heavy livestock investment probably should know where his cake is coming from a month or more in advance.

Fortunately in central and north central Oklahoma, favorable weather conditions have provided good growth of fall and winter pastures, including small grains, which have enabled stockmen to save on feed grains, proteins, and roughages. In the southwest counties and the panhandle, however, shortage of

moisture has retarded native ranges and delayed wheat pastures. For some farmers, especially dairymen, the planning that resulted in fall and winter pastures this year has proven more than usually profitable.—*F. L. Underwood.*



BEEF CATTLE

A moderate increase in meat production, particularly beef and veal, is expeced in 1952. Increased meat production will permit consumption per person to equal or exceed 144 pounds. Although this would be an increase from the estimated 141 pounds per capita for 1951, it would remain somewhat below the high, 155-pound per capita average of 1947.[1]

Cattle slaughter for 1951 is at a 10-year low. Calf slaughter may decline to an 18-year low. Cattle and calf numbers on farms are increasing and may reach a new high of approximately 90 to 91 million head in 1952.

Beef Increase Seen

If past trends continue, biggest increases in cattle slaughter will come after 1952. By 1955, for example, total cattle and calves may equal or exceed 100 million head. With such an inventory, annual consumption of beef per person would be more than 70 pounds. This would be the largest per capita consumption of beef since 1909 and slightly above the postwar high of 69 pounds in 1947.

Price Reductions Possible

A continued expansion of the national defense program and a further rise in consumer incomes point to a strong demand for beef in 1952. With higher taxes, however, disposable incomes of consumers are expected to go up considerably less than anticipated.

If price controls for beef and cattle continue in force in about their present form, the chief effect of an increased slaughter early in 1952 may be to relieve pressure against price ceilings. Later in the year some price declines may occur; however, no drastic drops are anticipated if the rise in slaughter does not exceed present expectations.

Beyond 1952, the outlook for the beef producer is less optimistic. In a recent study, Stephens points out that marked reductions

[1] "The Livestock and Meat Situation," Bureau of Agricultural Economics, United States Department of Agriculture, October, 1951.

took place in wheat and pork prices with a lessening of the scarcity of supply to demand. In like manner, he concludes that a similar reduction is likely to take place in beef prices whenever plentiful beef supplies reach the market.[2] On the other hand, Breimyer indicates that while the stage is being set for a substantial increase in beef slaughter in future years, the price effects of the increase remain a big question.[3]—*Robert L. Tontz.*

DAIRY

The *net income* of dairy farmers in 1952 probably will be about the same as in 1951. U. S. milk production is expected to be near the 1951 level with some higher selling prices. Expenses will be higher which will net most dairy farmers near the same amount of money as in 1951.

Employment and wages will be high in 1952. Consumers spend more money for dairy products when they have high incomes.

Numbers of cows kept for milk will not change much during the year from the past 3 years. These numbers are about 12 percent below the peak numbers in the early 1940's. Numbers of young dairy animals remain high, but heavy marketings of these are expected to continue.

The decline in milk cow numbers from a few years ago is due to:

a. High prices and ready market for certain cash crops.

b. High prices and purchasing power of meat animals, especially beef, as compared to dairy products.

c. Availability of non-farm opportunities for labor—resulting in a scarcity and high prices of skilled farm labor.

d. With other high enterprise incomes, farmers are not so much in need of the supplemental income which usually came from a few dairy cows.

e. Population centers have have moved some areas away from their normal milk supply, and these areas have then shifted to other products.

Milk production was at an all-time high of 5,292 pounds per cow milked in 1951. There has been a steady increase in the production per cow, and it is expected that production in 1952 will be slightly larger than for 1951.

Factors in the increased production per cow are:

a. More selection through herd improvements records.

b. Increased use of artificial insemination.

[2] P. H. Stephens, "Cattle and Beef and People," *Farm Credit Conditions*, Vol. XVI November, 1951, Research Division Farm Credit Administration, Wichita.

[3] Harold F. Breimyer, "The Outlook For Meat Animals In 1952," United States Department of Agriculture, Bureau of Agricultural Economics, Annual Agricultural Outlook Conference, Washington, D. C., October 30, 1951.

c. Higher rate of feeding of concentrates.

d. Better pastures.

e. Selection of better cows by farmers.

The utilization of milk is undergoing a change. More milk is being used in fluid form, and less is going into butter. The amount going into evaporated milk, ice cream and cheese is increasing slightly. This change in use is placing more emphasis upon solids-not-fat and less upon butterfat.

The export of dairy products is not expected to be any greater in 1952 than in 1951.

Outlook in Oklahoma

In Oklahoma, there has been considerable decrease in the production of milk in the wheat and cotton producing sections of the state. With this drop in production, there has been some closing of processing plants which necessitates farmers making shifts in locating market outlets.

During the coming year, dairy farmers can expect good incomes and a high rate of consumption of fluid milk on a per capita basis. The total production of milk will be, about the same as in 1951, and with increased population of about 3 million people the amount available on a per capita basis will be less than in 1951. This lower per capita production will result in strong prices for fluid milk and manufactured dairy products. Dairy products are now 10 to 26 percent higher than in October, 1950.--*A. W. Jacob.*

HOGS

Prospects indicate the number of hogs to be slaughtered in 1952 will be about the same as in 1951. Pork production probably will be a little larger during the first 7 or 8 months of 1952. The slight increase should result from a 7 percent increase in the 1951 spring pig crop and a 3 percent increase in the 1951 fall crop, as indicated by farmers on June 1. Slaughter in latter months of 1952 will be dependent upon the size of the spring pig crop. The current feed situation may result in a small decrease in the spring pig crop with a subsequent decrease in pork production during latter part of 1952.

The outlook for 1952 indicates hog production may be leveling off. A downward trend would be the first after five successive years of expansion. It would result primarily from a smaller feed supply relative to livestock and poultry numbers. With expanding production of grain-consuming livestock, the carry-over of corn has been reduced and corn prices have increased. This has resulted in a decline in the hog-corn ratio from its favorable level in the past three years to near its long-time average of 12.0.

The price outlook for hogs indicates no substantial change in

1952. Larger supplies of other meats would likely restrict any tendency toward much higher hog prices. Price controls also would tend to limit prices of pork and indirectly restrict prices of hogs to some degree during the mid-summer season when prices are usually highest. During the other seasons, about the usual seasonal price changes are expected and the overall average price for 1952 may be about the same as in 1951. The expected hog prices in relation to corn prices will provide average returns for hog production, but will be less favorable than the higher price relationship of the last three years.

Hog production in late 1952 and in future years will be governed by the annual production of corn and other feed.[1] Since feed grain carry-overs are being reduced, hog production can expand only if feed grain crops are larger than in 1950 and 1951. At high employment and incomes, demand for meat probably would support a gradual further expansion in hog production, perhaps enough to maintain pork consumption per person at about its present rate.—*Howard S. Whitney.*

POULTRY

Production of poultry and poultry products in 1951 promises to set an all-time record. The number of eggs produced in 1951 will exceed by a half-billion the 1950 production of 60 billion. This record production was accomplished with fewer layers than in 1950. The rate of lay for these two years was 136 and 141 eggs per hen.

A vivid picture of the size of the present poultry industry is necessary in order to understand current trend in the market. Its size probably can be more accurately visualized by comparing its output to that of the livestock industry. The Bureau of Agricultural Economics reports released every two months show the per capita production of meat for 1951 will approximate 143 pounds, whereas poultry meat will be about 32.5 pounds. Thus poultry meat will amount to about 23 percent of the total production of beef, veal, lamb and mutton, and pork.

It is difficult to grasp the importance of the poultry enterprise on farms to the total food requirements of the people's needs. The relatively small flocks usually do not impress the average observer when an examination of farm economy is made for present and potential production. The publicity given to the livestock packing industry with its sprawling stock yards, processing plants and other resources such as feed lots, and the expansive spreads of picturesque cattle ranches conceals from even the most careful observer the place of the poul-

[1] *Livestock and Meat Situation*, B. A. E., U. S. D. A., October, 1951, page 17.

try industry in the whole economy.

Poultry producers should realize that their industry produces about one-fifth of the meat supply, and that their actions or plans will have an effect on the national food situation. Also, that their products will not continue to have a subordinate place in the price-making forces of the market. That is, poultry prices will reflect closely the changes in plans of operations.

When producers increase the number of hens the additional supply or production of eggs and broilers is reflected very quickly in the market with the subsequent adjustments in price relationships.

Favorable prices for eggs in the last quarter of the year as in 1951 (Table I), and a favorable egg-feed price ratio (Table IV) encourage producers to increase hen numbers. Improved management practices are generally employed. Consequently, rate of lay per hen increases. This results in a greater increase in egg numbers than the percentage increase in hen numbers. Unless the demand increases, prices for eggs may weaken somewhat by the time flush production is reached in May, 1952.

Producers could hedge against a decline by marketing hens early in the spring before broiler production reaches its peak at midseason. Additional marketings of beef and vealers in the latter part of 1952 could weaken prices for poultry meat.

However, the demand for poultry and poultry products gives all indications of remaining strong for the first half of 1952. The term "demand" is at most an elusive expression of the expectation of people's actions. It seems to state or imply that consumers will continue to take the entire output at the present rate and some additional increase in output without a change in price. Such an assumption is not usually warranted unless some change is expected or assured on the part of the buyer.

Consumers are expected to have more income as indicated by the general situation reports. The increase in rearmament expenditures is expected to increase consumer incomes, but it does not necessarily imply that more poultry products will be purchased. Where individual incomes increased proportionately to the expected increase in total income, food consumption would not necessarily increase in proportion. However, there are reasons to believe that the additional income will be payments of wages to people with little or no income; that is, employment will be increased, thereby increasing the ability of these people to go into the market and buy eggs and meat at existing prices.

The present rate of output of eggs should not result in any

TABLE I—Egg Prices Received by Oklahoma Farmers, January, 1942 to December, 1951. (Cents per dozen)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	30.2	24.8	25.0	24.4	25 7	27.0	27.0	27.5	29.4	31.4	33.2	34.7	28.4
1943	35.4	33.3	32.9	32.4	32.9	33.3	32.6	32.6	34.3	37.5	39.0	39.6	34.6
1944	32.4	31.6	29.7	26.0	26.7	27.0	28.0	28.5	29.9	32.6	38.6	41.1	31.0
1945	37.5	31.2	30.7	30.8	30.5	31.1	32.3	33.5	30.0	35.0	44.7	45.5	34.4
1946	37.5	29.4	30.1	29.7	30.0	30.0	32.0	32.0	40.0	44.0	41.0	43.0	34.9
1947	38.1	35.1	36.0	37.5	36.5	36.7	38.3	37.4	43.6	47.8	47.7	57.6	41.0
1948	44.3	39.7	38.3	38.3	35.4	36.4	37.0	38.0	41.7	46.0	52.0	53.0	41.6
1949	43.0	40.5	37.9	38.3	38.4	36.7	36.5	38.4	42.4	46.0	46.1	40.9	40.4
1950	28.4	27.6	27.8	26.3	26.1	25.9	26.4	29.4	32.9	36.5	40.5	59.2	32.2
1951	37.5	36.7	37.1	38.4	39.3	35.6	35.7	37.2	48.8	49.4	51.4	60.0*	

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

TABLE II—Chicken Prices Received by Oklahoma Farmers, January, 1942 to December, 1951. (Cents per pound)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	14.8	15.3	15.8	16.1	16.8	16.8	15.9	16.7	17.9	17.8	17.2	17.7	16.6
1943	19.0	19.8	20.7	22.1	22.1	22.6	22.3	21.7	22.0	22.3	22.5	21.9	21.6
1944	21.9	22.2	22.2	21.4	21.5	21.8	21.8	21.4	22.0	21.4	21.4	22.1	21.8
1945	21.8	22.1	22.5	23.2	24.0	24.7	24.9	25.8	22.8	21.8	20.9	21.4	23.0
1946	21.6	21.6	21.7	22.4	23.5	23.4	25.5	23.4	24.0	27.0	21.9	22.4	23.2
1947	22.4	21.2	23.0	23.8	23.5	22.2	22.0	22.0	22.5	23.4	22.1	21.6	22.5
1948	22.2	22.4	23.0	24.0	24.0	26.0	28.2	25.7	27.0	26.4	25.8	28.0	25.9
1949	27.0	27.0	26.2	28.1	24.8	21.6	20.0	20.4	20.6	19.8	19.9	19.7	22.9
1950	17.3	18.2	19.5	19.3	18.4	18.4	18.4	20.8	19.6	19.2	19.5	19.7	19.0
1951	21.0	23.6	25.0	25.5	25.7	22.5	22.5	20.7	20.7	21.2	21.2	21.5*	

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.
* Estimated, Department Agricultural Economics, Oklahoma A. & M. College.

TABLE III—Poultry Ration Cost Per 100 Pounds, to Oklahoma Farmers, January, 1942 to December, 1951. (Dollars)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	2.01	2.07	2.13	2.12	2.11	2.11	2.10	2.17	2.16	2.14	2.16	2.20	2.12
1943	2.37	2.39	2.45	2.53	2.60	2.63	2.71	2.77	2.75	2.77	2.82	2.86	2.64
1944	2.91	2.92	2.92	2.95	2.96	2.91	2.88	2.87	2.78	2.71	2.71	2.69	2.85
1945	2.72	2.73	2.76	2.79	2.78	2.80	2.84	2.86	2.85	2.89	2.91	2.94	2.82
1946	2.96	3.02	3.10	3.11	3.35	3.49	3.84	3.81	3.63	3.58	3.63	3.47	3.42
1947	3.39	3.42	3.77	3.85	3.85	3.81	3.94	4.08	4.35	4.42	4.53	4.76	4.01
1948	4.92	4.36	4.47	4.56	4.48	4.34	4.17	3.77	3.51	3.43	3.45	3.53	4.08
1949	3.52	3.41	3.45	3.52	3.45	3.29	3.33	3.32	3.29	3.27	3.25	3.30	3.37
1950	3.29	3.29	3.34	3.45	3.53	3.45	3.53	3.56	3.44	3.34	3.39	3.52	3.43
1951	3.65	3.78	3.76	3.83	3.86	3.77	3.79	3.78	3.76	3.83	4.00		

TABLE IV—Egg-Feed Price Ratios, Oklahoma.* (Pounds of poultry ration** equal in value to one dozen eggs)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	10.0	12.0	11.7	11.5	12.2	12.8	12.9	12.7	13.6	14.7	15.4	15.8	12.9
1943	14.9	13.9	13.4	12.8	12.7	12.7	12.0	11.8	12.5	13.5	13.8	13.8	13.2
1944	11.1	10.8	10.2	8.8	9.0	9.3	9.7	9.9	10.8	12.0	14.2	15.3	10.9
1945	13.8	11.4	11.1	11.0	11.0	11.1	11.4	11.7	10.5	12.1	15.4	15.5	12.2
1946	12.7	9.7	9.7	9.5	9.6	8.6	8.3	8.4	11.0	12.3	11.3	12.4	10.2
1947	11.2	10.3	9.5	9.7	9.5	9.6	9.7	9.2	10.0	10.8	10.5	12.1	10.2
1948	9.0	9.1	8.6	8.4	7.9	8.4	8.9	10.1	11.9	13.4	15.1	15.0	10.0
1949	12.2	11.9	11.0	10.9	11.1	11.2	11.0	11.6	12.9	14.1	14.2	12.4	12.0
1950	8.6	8.4	8.3	7.6	7.4	7.5	7.5	8.3	9.6	10.9	11.9	16.8	9.4
1951	10.3	9.7	9.9	10.0	10.2	9.4	9.4	9.8	13.0	12.9	12.8		

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

* These ratios are not indicative of and must never be interpreted as "cost of production." They include only cost of feed, and all other costs of production are in addition.

** Poultry feed ration: percentages of specified feeds include commercial mash, 32.7 percent; home mixed mash, 11.2; commercial scratch, 4.0; corn, 14.0; wheat, 16.3; oats, 9.9; barley, 1.3; sorghum grain, 10.6 percent. Individual producers' ration cost may be more or less than the above stated costs as estimated by the Bureau of Agricultural Economics. In case poultry-ration cost and egg prices for producers in any community differ from those shown in Table III and Table I, respectively, the actual ratios can be calculated by dividing actual egg prices per dozen by feed costs.

substantial decrease in prices in the near future, and with an increase in income a slight increase in output may be justified, during the first 4 months of 1952.—*K. C. Davis.*

SHEEP, LAMBS AND WOOL

As has been reported in *Current Farm Economics* in previous issues, the numbers of sheep and lambs on farms increased in 1950 for the first time since 1941, and a substantial gain is being made in 1951 as the lamb crop is up slightly and slaughter down to its lowest point in several years. A further increase in numbers on farms is likely during 1952, but the number slaughtered probably will be larger than 1951.

Prices received for lambs in the fall of 1951 were about $4.00 higher per 100 pounds than a year ago, although price ceilings were imposed at the wholesale and retail level. At present, indications are that lamb and sheep prices should hold at a fairly high level.

Prices of wool have declined during the past few months after rising to an all-time high in March, 1951. The 1952 prices to domestic producers of shorn wool may be somewhat higher than in the fall of 1951, but are not expected to reach the high level of 1951.—*Ray Billingsley.*

Prices Received by Farmers, Price Indexes, and Indexes of Purchasing Power of Oklahoma Farm Products (1910-1914=100)

	Prices				Price Indexes				Purchasing Power Indexes[1]			
		1951				1951				1951		
	1950 Nov.	Sept.	Oct.	Nov.	1950 Nov.	Sept.	Oct.	Nov.	1950 Nov.	Sept.	Oct.	Nov.
	(Dollars)				(Percent)				(Percent)			
Grain					222	242	247	259	82	85	86	90
Wheat (bu.)	2.01	2.15	2.18	2.28	234	250	253	265	86	88	88	92
Corn (bu.)	1.22	1.47	1.55	1.65	188	226	238	254	69	79	83	88
Oats (bu.)	.84	.90	.94	.99	187	200	209	220	69	70	73	76
Barley (bu.)	1.20	1.24	1.30	1.41	203	210	220	239	75	74	77	83
Rye (bu.)	1.40	1.60	1.65	1.75	163	187	192	204	60	66	67	71
Grain Sorghums (bu.)	.95	1.19	1.22	1.33	140	175	179	196	52	61	62	68
Cotton and Cottonseed					362	292	309	341	134	102	108	118
Cottonlint (lb.)	.392	.324	.342	.378	347	287	303	335	128	101	106	116
Cottonseed (ton)	97.00	66.00	72.00	77.00	496	337	368	393	183	118	128	136
Miscellaneous Crops					173	229	250	270	64	80	87	94
Potatoes, white (bu.)	1.55	1.70	1.80	2.00	140	153	162	180	52	54	56	62
Potatoes, sweet (bu.)	1.95	2.55	3.20	3.20	159	207	260	260	59	73	91	90
Hay, all loose (ton)	17.20	24.50	26.00	28.40	195	278	295	322	72	98	103	112
Total Crops					307	272	285	309	113	95	99	107
Meat Animals					420	483	484	468	155	169	169	162
Cattle (cwt.)	23.30	27.00	27.00	26.60	482	559	559	551	178	196	195	191
Calves (cwt.)	26.50	31.00	31.40	30.40	444	519	526	509	164	182	183	177
Sheep (cwt.)	12.40	14.50	14.90	13.80	268	314	322	297	99	110	112	103
Lambs (cwt.)	27.00	28.50	28.70	27.10	463	489	492	465	171	172	171	161
Hogs (cwt.)	18.30	20.30	20.50	18.20	260	288	291	259	96	101	101	90

Prices and Indexes, Cont'd.

	Prices				Price Indexes				Purchasing Power Indexes[1]			
	1950	1951			1950	1951			1950	1951		
	Nov.	Sept.	Oct.	Nov.	Nov.	Sept.	Oct.	Nov.	Nov.	Sept.	Oct.	Nov.
	(Dollars)				(Percent)				(Percent)			
Dairy Products					244	264	269	282	90	93	94	98
Milk, wholesale (cwt.)	4.60	4.95	5.05	5.55	238	256	262	288	88	90	91	100
Butter (lb.)	.64	.68	.70	.70	286	304	313	313	106	107	109	109
Butterfat (lb.)	.56	.61	.62	.64	239	261	265	273	88	92	92	95
Chickens and Eggs					222	260	263	272	82	91	92	94
Chickens (lb.)	.195	.207	.212	.212	207	220	226	226	76	77	79	78
Eggs (doz.)	.405	.488	.494	.514	228	274	278	289	84	96	97	100
Total livestock and Livestock Products					346	396	399	393	128	139	139	136
All Commodities					318	309	319	335	117	108	111	116

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. and M. College, from data supplied by Bureau of Agricultural Economics, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D. C.

For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics, and Current Farm Economics*, Okla., Exp. Sta. Series 49, Vol. 15, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in living and production.

—Allene W. Stinson.

Price Indexes in the United States and Oklahoma and Indicators of Changes in Domestic Demand

Year and Month	PRICE INDEXES Average 1910-14=100					INDICATORS OF CHANGES IN DOMESTIC DEMAND	
	Index of Prices Received by Farmers		Index of Prices Paid by Farmers United States	All-Commodity Index of Wholesale Prices United States	Oklahoma Hog-Corn Price Ratio[2]	Index of Demand Deposits Oklahoma[3], [4] 1923-25=100	Index of Factory Payrolls[5] 1939=100
	Oklahoma[1]	United States					
1925	164	156	157	151	11.05	106.5	
1926	134	145	155	146	16.44	102.0	
1927	134	139	153	139	14.54	100.5	
1928	151	149	155	141	10.72	100.3	
1929	145	146	153	139	10.65	92.3	
1930	112	126	145	126	11.04	77.4	
1931	71	87	114	107	14.30	60.6	
1932	51	65	98	95	14.59	47.3	
1933	65	70	99	96	7.36	44.9	
1934	90	90	112	109	4.73	53.3	
1935	107	108	117	117	10.35	60.8	
1936	109	114	116	118	9.33	74.6	
1937	111	121	123	126	11.36	82.1	
1938	82	95	116	115	15.64	84.9	
1939	84	93	121	113	11.33	89.4	
1940	92	98	123	114	8.61	92.0	113.6
1941	117	122	130	127	13.77	86.6	164.9
1942	152	157	152	144	14.35	107.4	241.5
1943	172	188	167	150	11.69	162.3	331.1
1944	181	195	176	152	10.56	215.9	343.7
1945	184	202	181	154	11.95	285.3	293.5
1946	226	233	203	177	11.56	335.3	271.1
1947	286	278	246	222	13.34	348.5	326.9
1948	293	287	264	241	12.69	353.3	351.4
1949	257	251	253	226	15.00	347.4	325.8
1950	272	256	261[6]	236	14.25	346.8	371.9
1951 Jan.	334	300	277	263[6]	13.56	283.9	424.0[6]
Feb.	346	313	279	268	14.44	277.6	430.0[6]
Mar.	351	311	283	269	13.70	274.2	435.0[6]
Apr.	350	309	284	268	13.20	270.5	433.2
May	352	305	285	266	12.42	263.5	428.4[6]
June	343	301	286	265	12.86	257.5	434.3[6]
July	328	294	285	261	12.88	264.1	424.1
Aug.	312	292	285	258	13.52	264.4	431.3
Sept.	309	291	285	258	13.80	268.0	....
Oct.	319	296	287	259	13.23	276.6	....
Nov.	335	301	288	259	11.03	....	....

SOURCES: Indexes of Oklahoma prices received by farmers, computed by Dept. Agri. Econ., Okla. Agri. Exp. Sta., Stillwater, Oklahoma. Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, Bur. of Agri. Econ., U. S. D. A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta., from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

1 Prices received by Oklahoma farmers for 21 commodities. For data prior to 1925 see Okla. Agri. Exp. Sta. Bul. No. 238.

2 These figures indicate the number of bushels of corn that could be purchased with 100 pounds of live hogs at current Oklahoma prices received by farmers.

3 Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

4 Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr. 1940. p. 41.

5 Unadjusted for seasonal variation.

6 Revised.

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